

## § 559.13

value of assets collateralizing the securities issuance (any assets of the subsidiary, including any guarantees of its securities issuance you have made);

(5) The interest or dividend rates and yields, or the range thereof, and the frequency of payments on the subsidiary's securities;

(6) The minimum denomination of the subsidiary's securities; and

(7) Where the subsidiary marketed or intends to market the securities.

[61 FR 66571, Dec. 18, 1996, as amended at 69 FR 68249, Nov. 24, 2004]

### **§ 559.13 How may a savings association exercise its salvage power in connection with a service corporation or lower-tier entities?**

(a) In accordance with this section, a savings association ("you") may exercise your salvage power to make a contribution or a loan (including a guarantee of a loan made by any other person) to your service corporation or lower-tier entity ("salvage investment") that exceeds the maximum amount otherwise permitted under law or regulation. You must notify OTS at least 30 days before making such a salvage investment. This notice must demonstrate that:

(1) The salvage investment protects your interest in the service corporation or lower-tier entity;

(2) The salvage investment is consistent with safety and soundness; and

(3) You considered alternatives to the salvage investment and determined that such alternatives would not adequately satisfy paragraphs (a)(1) and (a)(2) of this section.

(b) If OTS notifies you within 30 days that the Notice presents supervisory concerns, or raises significant issues of law or policy, you must apply for and receive OTS's prior written approval under the standard treatment processing procedures at part 516, subparts A and E of this chapter before making a salvage investment.

(c) If your service corporation or lower-tier entity is a GAAP-consolidated subsidiary, your salvage investment under this section will be considered an investment in a subsidiary for purposes of part 567 of this chapter.

[61 FR 66571, Dec. 18, 1996, as amended at 66 FR 13007, Mar. 2, 2001]

## 12 CFR Ch. V (1-1-06 Edition)

### **PART 560—LENDING AND INVESTMENT**

Sec.

560.1 General.

560.2 Applicability of law.

560.3 Definitions.

#### **Subpart A—Lending and Investment Powers for Federal Savings Associations**

560.30 General lending and investment powers of Federal savings associations.

560.31 Election regarding categorization of loans or investments and related calculations.

560.32 Pass-through investments.

560.33 Late charges.

560.34 Prepayments.

560.35 Adjustments to home loans.

560.36 De minimis investments.

560.37 Real estate for office and related facilities.

560.40 Commercial paper and corporate debt securities.

560.41 Leasing.

560.42 State and local government obligations.

560.43 Foreign assistance investments.

560.50 Letters of credit and other independent undertakings—authority.

560.60 Suretyship and guaranty.

#### **Subpart B—Lending and Investment Provisions Applicable to all Savings Associations**

560.93 Lending limitations.

560.100 Real estate lending standards; purpose and scope.

560.101 Real estate lending standards.

560.110 Most favored lender usury preemption.

560.120 Letters of credit and other independent undertakings to pay against documents.

560.121 Investment in State housing corporations.

560.130 Prohibition on loan procurement fees.

560.160 Asset classification.

560.170 Records for lending transactions.

560.172 Re-evaluation of real estate owned.

#### **Subpart C—Alternative Mortgage Transactions**

560.210 Disclosures for variable rate transactions.

560.220 Alternative Mortgage Transaction Parity Act.

AUTHORITY: 12 U.S.C. 1462, 1462a, 1463, 1464, 1467a, 1701j-3, 1828, 3803, 3806; 42 U.S.C. 4106.

SOURCE: 61 FR 50971, Sept. 30, 1996, unless otherwise noted.